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ABSTRACT

Skilled labor has always been difficult to recruit, and in a tight labor market unskilled, low-paying jobs with low status are also difficult to fill. Recruitment from outside seems necessary to satisfy demands, but migration creates at least as many problems as it solves. The consumption of theoretical training through the university level (a consequence of affluence), produces young people who face a working world with no use for their qualifications. More serious is the number of people waiting to enter working life without being admitted: women, older people, the handicapped, the very young. We must use a different approach to meet a different situation. Working conditions, broadly speaking, job content, and participation become more important and influence turnover and recruitment. The (government) employment service has to adapt itself to conditions on the labor market: consistently surveying available potentials, to give reliable advice to industry; providing entry-level training; and offering vocational guidance, training, and intervention for women. Inplant rehabilitation for the handicapped is an employer responsibility, but the employment service should devise other training programs for the handicapped who have never been employed. Education and job requirements must be linked. Results depend on employers, actively supported by trade unions. (Author/AJ)

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LABOUR MARKET POLICIES

by Director Reidar Danielsen

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In any country conditions on the labour market depend very much on age distritution in the population and on economic growth.

Developing countries with a rapidly increasing population and a slow economic growth usually have a permanent unemplyment of considerable size.

More developed countries on the other hand seem to be in a more favourable position. They, too, may have unemplyment problems, however, although of a more moderate size.

My topic is not supposed to deal with problems in developing countries. I shall therefore leave these aside and confine myself to deal with those labour market problems that seem to be common to developed countries.

The rate of increase in the number of people in working age are modest in most of these countries. At the same time participation rates decline for males. This decline is only partially compensated for by higher rates for women.

Thus manpower in these countries seems soon to reach a point of stagnation.

With a policy aiming at economic growth, labour is likely to become in short supply.

In periods where economic growth of at least 4 - 5 % of GNP is reached, most countries have already experienced such a tight labour market. Chances are that situations like that will be more usual in the future, even if the situation in some countries to day does not indicate a too prosperous

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future.

Until recently an employer was used to be able to fill vacant jobs almost everywhere and everyday. This may no longer be the case.

Skilled labour has practically speeking always been difficult to recruit.

In a tight labour market unskilled low paid jobs with low status also are difficult to fill. Not all of these jobs are possible to eliminate through automation. Neither do all of them lend themselves to enrichment. The possibility of raising the wage level seems to meet with institutional restistance in the short run anyway.

Recruitment from outside seems necessary to satisfy demands. Unskilled manual labour also represent the vast majority of immigrants filling vacancies in Western Europe. Forecasts indicate a considerable increase in the number of immigrants in the years to come.

Migration, however, does create problems in both ends so to speak. The country of origin loses some of its best manpower, which may offset the advantages of reduced unemployment and of the earnings in foreigh currency that the emigrants bring home. Many of the emigrants return to their home country, but far from all of them. Those who return are supposed to have got training through their time abroad but in many cases the qualifications obtained are not asked for at home.

In the receiving countries all sorts of linguistic - housing - social and religious problems arise. Sometimes problems created in receiving countries seem to be at least on par with those solved. To day, therefore, the wisdom in moving too many people across borders in this way is widely questioned.

Living in a country with one of the smallest foreign popu-

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lations in Western Europe I should not venture on elaborating the topic any further. My point has only been to indicate that in the future the normal situation on the labour market in developed countries will for long periods be such that skilled as well as unskilled jobs might be difficult to fill, to say the least.

There will probably be difficulties in other ways, too. By and large the educational facilities in most countries are built to meet demand amongst young people for education and training. One of the most significant results has been a considerable expansion in educational facilities at university level.

It is well known that experience in some countries indicate a discrepancy between educational capasity on this level and the actual demand for qualifications presented by the labour market.

The youth (or their parents) and most emplyers seem to have been of the opinion that theoretical training is good anyway. Today we are questioning this point of view. It is easy to imagine the shock inflicted on young people after they have finished training for about 20 years, only to meet a working life with no use for their qualifications.

We may consider such training as consumption in an affluent society. However, persons who in this way have consumed training, must then be prepared to accept jobs that has little to do with their training and, further, accept wages according to job - not to education. On the other hand it is difficult to accept this idea of consuption of free training, as long as most countries are able to offer such consumption to very limited numbers only.

A far more serious question is, however, the number of people wanting to enter working life without being admitted.

There are a number of reasons why women are not accepted in certain trades or jobs.

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Older people, although under retirement age, are often rejected because of their age. To be considered neither as include in the social security system nor as being emplyable is difficult. Many of them have lost their jobs because of structural changes, changes that may increase in the future.

Handicapped persons may, of course, be unemployable in certain cases but between these and the "jacks of all trades", there are many categories who could easily do a good job if they were given the opportunity.

It might also be mentioned that there is unemployment amongst young people below 20 years age.

It is, therefore, fair to say that at the same time as we talk about lack of manpower and a tight labour market there exist groups in most countries with low participation rates or high unemplyment.

A situation like this will in a developed country not be tolerated in the long run. To solve the problems through social expenditures is neither desirable for the people in question nor is it an economically acceptable solution for the country.

It has been my intention to try to draw a picture of some of the newer features of the future labour market in developed economies. As far as I can see, indications are that we have to prepare ourselves to meet a different situation. A situation which calls for a different approach in solving manpower problems.

Geografical mobility on the labour market was for a long time looked upon as a necessity in an expanding economy. People had to move to where the vacancies existed. Most developed

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although expansion in localities outside the pressed areas will give advantages to society as a whole as well as to economic life.

In future it seems likely that firms and institutions will to a far higher extent support decentralization. The manpower problems will probably be a strong impetus to this.

As to the job itself we must be prepared to adapt job conditions to what is asked for. Traditions as to working hours and to a specific starting time in the morning are already on their way out. It is obvious that family responsibilities as well as rush hour transportation raise problems. Less rigid working hours will undoubtedly make more people available for the labour market.

Another difficulty in the same line is the fact that shiftwork becomes ever more unpopular. Automation is in those cases the only answer. However, this takes time and often requires considerable investments. In the meantime shift production is likely to suffer from higher turnover and absenteism than before. If should be mentioned that the Norwegian merchant fleet has made quite spectacular achievements in the field of automation. Apart from automation achievements have also been reached by improving housing conditions for workers on shift.

To achieve satisfaction in the job seems to count more in the future compared with wages and salaries. Working conditions, broadly speaking, job content and participation become more important, and influence turnover and recruitments. Here are only mentioned those aspects of the problem most relevant to the labour market.

Job security has always been important to emplyees. In a tight labour market, this might be less important for especially younger groups of emplyees. But even if new jobs are easy to find, security against hazards which could hit everyone is desirable. In addition there is the un-

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certainty that technological developments have brought to many emplyees. Firms and institutions will probably in the future have to develop more concrete programmes for safeguarding the interests of the employees.

In the recruiting process elderly and handicapped persons should not be disregarded, even if the introductory period for them may be longer.

I am not trying to compete with personnel experts in making a check-list for personnel departments. What I try to do is to give you some observations from a man who has for some time been in the emplyment service. We think we can see why some firms and institutions have manpower problems and others not. In most cases it is a question of whether or not they have adapted themselves to the new situation.

Obviously, the employment service itself has to adapt itself to the conditions on the labour market. In a situation where demand for labour is high, the task of uncovering unemployment or underemplyment is all-important and calls for new and unorthodox activities as well.

The most obvious groups in this connection are people living in the least developed parts of the country. Consistant surveys of available potentials are necessary to give reliable advice to industry in the process of finding new locations for expanding activities.

As a next step the employment service will have to take care of the initial training of available people to new job-opportunities. The more specialized phases will, however, have to be in-plant training.

Married women have low participation rates in most countries. Family responcibilities explain much but far from all of it.

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Limited possibilities to move, long distances to travel to jobs and traditions bar the way into working life for many married women. Furthermore the lack of interest among girls for education and training often reduce their possibilities when they as adults try to find jobs.

To day it is generally accepted that women are, at least theoretically, able to fill almost any job. In everyday life, however, this is not so. There is a wide gap between theory and practical life.

Manpower shortages, more interest for training and education among young girls and an increasing number of personnel people who realize the value of female participation in industrial life will gradually change this situation.

The employment service also has an important role to play. Vocational guidance especially designed to meet the need for information amongst married women will help them in their decision whether to take up a job, outside their homes, or not. There is also a need for training. This training has different aims. Some need a reassurance that they really have the necessary qualifications. Some need training or re-training to fill available jobs. Experience indicate the value of guidance and training, but this alone is not sufficient to introduce women in trades formerly locked to them. Active cooperation between trade unions, management and the employment service proves necessary. There has been resistance all the way from personnel departments through production-departments and to the floor. Gradually, however, this situation is changing.

None of us is capable of doing all kinds of jobs, but some have by birth or by bad luck later in life got more limited possibilities than others. We are used to call this group handicapped people. They have as a rule the very same desire for normal participation in industrial and social life as the rest of us. Many of them are at least as capable as others to do the jobs that suit their abilities.

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From the outset these are facts we should bear in mind when discussing rehabilitation.

Any employer may meet rehabilitation in two different situations.

In any firm or institution a certain part of the personnel becomes handicapped in one way or another.

It is not common practice to day to sack people for such reasons. Therefore rehabilitation cases are created. It is usually far more easy to rehabilitate a person in his own place of work, than to try to transplant him elsewhere. Of particular importance is to avoid longer periods of inactivity. Long time out of work has a tendency to make any person lose self confidence.

A systematic rehabilitation programme ought to be worked out to deal with the problem. The employment service might be of some help in establishing such programmes. In this country a couple of projects have shown the value of such cooperation. But the emplyment service will never reach a capacity enabling it to participate continuously. In-plantrehabilitation must by and large be a normal function for personnel departments.

Some handicapped people unfortunately have no connection with any firm or institution. Also in these cases a cooperation between working life and employment services is essential.

The employment service will see to it that a programme for rehabilitation is worked out and executed. The programme is supposed to reach a point where employment should be possible. This is of course the crucial point. Employers are usually sceptical and afraid they will only get a new personnel problem. This is easy to understand. However, if employment proves to be impossible, some kind of social insurance is the only answer. This is a defeat for the

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person in question and a new burden for society and for the economy of the country and will have to be paid more or less by the firms themselves. A tragedy for the handicapped and the most costly way to solve the problem for the economy. A mutual interest thus exists and it is imperative that systems are worked out to make it easier for employers to employ or try to employ persons who have completed a rehabilitation programme.

It is obvious that we cannot expect all handicapped persons to fill normal jobs. They might, however, still have some working capacity left. Sheltered employment of various types run by public authorities has up to now been the answer. The size of the problem forces us, however, to consider alternatives in addition to sheltered workshops.

Young people represent specific problems. Some of them can stand no more schooling than what is compulsory. For some even that is too much. When leaving school after 8 - 10 years are young persons to day usually not qualified for available jobs anyway.

Most countries have lately experienced an increase in unemployment among the younger generations (below the age of 20).

There are a number of reasons for this.

Development seems to have eliminated certain kinds of jobs where many youngsters earlier used to enter working life. In Norway for instance many boys used to join the merchant fleet for a shorter periode. Job openings for boys without training or education are reduced to one third in 10 years.

Legislation to protect young persons makes employers careful in their recruiting policy not to hire persons that cannot be set to certain kinds of work.

The necessity for young people to start earning money as

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soon as possible is probably not so strong as before, only to mention some of the factors that may explain this unemployment problem.

Even if the number of unemplyed young people is still moderate we are all aware of the dangers meeting unemplyed young persons. Thus emplyers, educational authorities and the employment service have a common responsibility to fight this kind of unemployment. There is, unfortunately, a tendency rather to do research work on youth unemployment, than to get rid of the problem.

Young groups with far more training or education also seem, however, to have difficulties in finding jobs they feel match their qualifications. One of the main explanations probably is that the general level of education has rissen more rapidly than occupational requirements. They are therefore offered jobs which used to be done by less educated people. This invites not only boredom but also a sense of injustice and it results in dissatisfaction in the job.

Employers and educational authorities are increasingly aware of this fact. To a certain degree education and job requirements must be linked to each other. If education should develop independantly of what is going on in working life, then education must be looked upon as consumption. In this case it must be a clear understanding from the outset that such education does not give any advantages as far as jobs are concerned.

Employment services will to a certain degree be able to bridge the gap between education and work. Vocational guidance is also supposed to give information of what possibilities are on the labour market, today and in the near future. However, here we have to be careful. In some countries this has shown to be too quickly understood by students, who react to short time forecasts in a way that might create problems at a later stage. We ought to be able

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to give more precise forecasts for longer periods of time and in this way be able to give better advice in educational questions. So far this is not the case.

In the future the development of educational programmes ought to be made in closer consultation with working life than today. Industry, feeling the inadequacy in this field, ought to be more active. In addition vocational guidance should be able to help more people than today. Such guidance ought to be given on each step of the training or education period. The cost of this service is easy to calculate. The cost of training leading to nothing or even to unhappiness for young people is hidden.

In any economy there will probably exist firma or institutions that are obsolete and, consequently, will have to close down their operations.

From an macro-economic point of view this is no tragedy. On the contrary, ineffective or useless operations ought to be stopped if growth should be possible.

For people who used to work in these obsolete units, however, things look different. In an expanding economy the demand for labour might be high but this does not solve all problems.

Vacant jobs may not exist in the neighbourhood or they require different qualifications. Some may have worked in the place for so many years that a change might feel impossible.

Situations like this present the most difficult and serious tasks to the employment service.

Through guidance, training, retraining and general employment services we try to help, bu in the end, results mainly depend on cooperative employers, private or public.

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If operations on the labour market should be to the benefit of all concerned it is not only a task for government and public administration.

Without active support from trade unions, employers organizations and individual employers only limited results could be obtained. This is the case today and will be even more so tomorrow.

Progress depends, among other things, on to what extent the labour market is functioning.

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